DAVID CARLYLE, MD

January 31, 2011

**Honorable Michael Gronstal, Senate Majority Leader**
**Honorable Kraig Paulsen, Speaker of the House of Representatives**
**Honorable Terry Branstad, Governor**

On behalf of the Legislative Health Care Coverage Commission, we respectfully submit the attached report for consideration. The Commission met on seven separate occasions over the past eighteen months. In addition, the Commission's four workgroups met on numerous occasions, and their work became the basis for detailed 2009 and 2010 recommendations. The Commission's appointed members level of dedication to moving health care reform forward in Iowa was extraordinary.

The Commission's activities were conducted in a period where the level of politicization of health care reform seemed to reach new highs. Despite the charge in the air, we are pleased to say that our intense discussions always remained focused on how to improve Iowa's system of healthcare coverage. The spirit of tolerance for differences of opinion allowed us to create meaningful, but pragmatic recommendations over this near two year period.

Respectfully,

David Carlyle, MD
Commission Chair

Ted Williams, Jr.
Commission Vice Chair

cc Iowa Legislative Health Care Coverage Commission

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# FINAL REPORT

## Legislative Health Care Coverage Commission

January 2011

### MEMBERS

**Voting Public Members**

Dr. David Carlyle, Chairperson
Mr. Ted Williams, Vice Chairperson
Mr. Mike Abbott
Ms. Betty Ahrens
Ms. Jennifer Browne
Ms. Diane Crookham-Johnson
Ms. Joan Jaimes
Mr. Bruce Koeppl
Ms. Marcia Nichols
Mr. Tim Stiles
Mr. Joe Teeling

**Nonvoting Legislative Members**

Senator Jack Hatch
Senator David Johnson
Representative Mark Smith
Representative Linda Upmeyer

**Nonvoting Ex Officio Members**

Mr. Charles Krogmeier
Mr. Tom Newton
Ms. Susan Voss


**Staff Contacts:**

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**Contents:**



### AUTHORIZATION AND APPOINTMENT

The Commission is required, by 2009 Iowa Acts, Ch. 118, §1 (S.F. 389, §1), to develop an Iowa health care reform strategic plan, addressing various aspects listed in the legislation. The Commission is created under the authority of the Legislative Council, with administrative support to be provided by the Legislative Services Agency (LSA). The Legislative Council is required to appoint a chairperson and vice chairperson from the voting membership. An appropriation of $200,000 for costs associated with the Commission, including any per diem or other expenses associated with meetings, is made to LSA in 2009 Iowa Acts, Ch. 183, §65 (H.F. 820, §65), as amended by 2009 Iowa Acts, Ch. 179, §160, (S.F. 478, §160). The Commission has been directed by the Legislative Council to complete its deliberations by December 31, 2010, provide quarterly reports, and submit a final report to the General Assembly no later than January 31, 2011.

# I. Establishment of Commission

The Legislative Health Care Coverage Commission was created by 2009 Iowa Acts, Ch. 118, §1 (S.F. 389 §1) to prepare an Iowa health care reform strategic plan which includes but is not limited to a review and analysis of options for increased health care coverage of Iowa's children, adults, and families, with an emphasis on increased coverage for adults. The Commission was also directed to develop prioritized recommendations for increasing coverage.

In 2010, the Commission was given an additional duty to complete an annual review of the cost of health insurance mandates currently imposed on health insurance regulated by the state, to provide projections of the cost of any mandates that the Commission determines may be considered by the General Assembly during the legislative session, and to include this information in the Commission's annual reports to the General Assembly (2010 Iowa Acts, Ch. 1121, §32 (S.F. 2201)). The Commission was also asked by legislative leadership to provide recommendations to them for the pursuit of state funding opportunities under the federal Patient Protection and Affordable Care Act (PPACA) of 2010, along with application and implementation dates, to share with the Governor's office and Iowa's Congressional delegation.

For the 2010 Legislative Interim, the Commission was authorized to hold three meetings and directed by the Legislative Council to complete its deliberations no later than December 31, 2010, and submit a final report to the General Assembly no later than January 31, 2011.

The Commission established an Internet website at:
http://www.legis.state.ia.us/aspx/Committees/Committee.aspx?id=484.

# II. Commission Charge

## A. Commission Original 2009 Charge

The Commission was charged pursuant to 2009 Iowa Acts, Ch. 118, §1 with developing an Iowa health care reform strategic plan to include a review and analysis of and recommendations and prioritization of recommendations for the following:

1. Options for the coordination of a children's health care network in the state that provides health care coverage to all children without such coverage; utilizes, modifies, and enhances existing public programs; maximizes the ability of the state to obtain federal funding and reimbursement for such programs; and provides access to private, affordable health care coverage for children who are not otherwise eligible for health care coverage through public programs.

2. Options for children, adults, and families to transition seamlessly among public and private health care coverage options.

3. Options for subsidized and unsubsidized health care coverage programs which offer public and private, adequate and affordable health care coverage, including but not limited to options to purchase coverage with varying levels of benefits including basic or catastrophic benefits, an intermediate level of benefits, and comprehensive benefits

coverage. The Commission shall also consider options and make recommendations for providing an array of benefits that may include physical, mental, and dental health care coverage. Affordable health care coverage options for purchase by adults and families shall be developed with the goal of including options for which the contribution requirement for all cost-sharing expenses is no more than 6.5 percent of family income.

**4.** Options to offer a program to provide coverage under a state health or medical group insurance plan to nonstate public employees, including employees of counties, cities, schools, area education agencies, and community colleges, and employees of nonprofit employers and small employers and to pool such employees with the state plan.

**5.** The ramifications of requiring each employer in the state with more than 10 employees to adopt and maintain a cafeteria plan that satisfies Section 125 of the Internal Revenue Code of 1986.

**6.** Options for development of a long-term strategy to provide access to affordable health care coverage to the uninsured in Iowa, particularly adults, and development of a structure to implement that strategy including consideration of whether to utilize an existing government agency or a newly created entity.

As part of developing the strategic plan, the Commission was required to collaborate with health care coverage experts to do, including but not limited to the following:

**7.** Design solutions to issues relating to guaranteed issuance of insurance, preexisting condition exclusions, portability, and allowable pooling and rating classifications.

**8.** Formulate principles that ensure fair and appropriate practices relating to issues involving individual health care policies such as recision and preexisting condition clauses, and that provide for a binding third-party review process to resolve disputes related to such issues.

**9.** Design affordable, portable health care coverage options for low-income children, adults, and families.

**10.** Design a proposed premium schedule for health care coverage options which includes the development of rating factors that are consistent with market conditions.

**11.** Design protocols to limit the transfer from employer-sponsored or other private health care coverage to state-developed health care coverage plans.

## B. Commission 2010 Charge

In 2010, the Commission was given an additional duty to complete an annual review of the cost of health insurance mandates currently imposed on health insurance regulated by the state, to provide projections of the cost of any mandates that the Commission determines may be considered by the General Assembly during the legislative session, and to include this information in the Commission's annual reports to the General Assembly (2010 Iowa Acts, Ch. 1121, §32 (S.F. 2201)).

The Commission was also asked by legislative leadership to provide recommendations to them for the pursuit of state funding opportunities under the federal PPACA, along with application and implementation dates, to share with the Governor's office and Iowa's Congressional delegation.

## III. Commission Membership

The legislation directed that the Commission be comprised of 11 voting members appointed by the Legislative Council and 7 ex officio, nonvoting members. The 11 voting members represent large and small employers, Iowa insurers, health underwriters, health care providers, labor, nonprofit entities, independent insurance agents, and consumers. The three consumer members represent respectively the pre-Medicare population, middle-income adults and families, and low-income adults and families. The Commission chairperson, Dr. David Carlyle, a physician, and vice chairperson, Mr. Ted Williams, a small business owner, were also appointed by the Legislative Council.

Voting members were allowed to name an alternate who was accorded full privileges in the absence of their principal.

The Commission also includes seven ex officio, nonvoting members: the Commissioner of Insurance, Director of the Department of Human Services (DHS), and Director of Public Health (DPH), or their designees and four legislators: Senator Jack Hatch, Senator David Johnson, Representative Mark Smith, and Representative Linda Upmeyer (Attachment A, Membership Roster).

The Commission's membership remained unchanged since the initial appointments were made in 2009.

## IV. Commission Coordinator

The Legislative Council was authorized to employ or contract with a person to assist the Commission in developing the strategic plan by coordinating Commission activities; gathering information relating to health reform; serving as a liaison between stakeholders, other levels of government, and the Commission; and writing the Commission's progress reports and Final Report. On October 1, 2009, Ms. Anne Kinzel was engaged to serve as Commission Coordinator. Ms. Kinzel's appointment as Commission Coordinator concluded on January 31, 2011.

The Legislative Services Agency provided administrative support to the Commission and the Commission Coordinator.

## V. Commission Meetings and Workgroups

### A. Commission Process

Three Commission meetings were held in 2009 on September 9, October 20, and December 2. Four Commission meetings were held in 2010 on January 6, July 21, November 10, and December 15.

Commission meetings took place at the State Capitol in Des Moines and were open to the public. A large majority of the Commissioners attended each meeting. In addition, a call-in telephone number was provided so that any member could attend meetings by telephone.

The Commission's meetings were designed to allow maximum interaction between Commissioners. Meetings included sessions by experts in health care matters and time for Commission members to discuss issues relevant to the Commission's overall charge. Each meeting also included a brief report by the legislative members and progress reports from each of the Commission's four workgroups.

## B. Commission Workgroups

1. **Organization.** In 2009, at the direction of Chairperson Carlyle, the Commission was divided into three workgroups. Each workgroup was assigned a specific charge and directed to hold as many meetings as necessary to prepare workgroup recommendations for presentation to the full Commission in December 2009. The 2009 workgroup activities are summarized in the Commission's 2009 Progress Report issued in January 2010.

   In 2010, at the direction of Chairperson Carlyle, the charges for Workgroups I, II, and III were modified in response to the passage of the PPACA. In addition, Workgroup IV was established.

2. **2010 Workgroups – Members, Charges, and Meetings.** In 2010, with the passage of the PPACA, at the conclusion of the 2010 Legislative Session, four workgroups were organized as follows:

   a. **Workgroup I – IowaCare Expansion, Medicaid Expansion Readiness, and High-risk Pool (Coverage of Adults Workgroup in 2009)**

      **Members:** Dr. David Carlyle (Chairperson), Ms. Betty Ahrens, Ms. Diane Crookham-Johnson, Mr. Bruce Koeppl, and Mr. Charles Krogmeier, Director of the Department of Human Services (Ex Officio).

      **Charge:** Workgroup I focused on reviewing, analyzing, recommending, and prioritizing options to provide health care coverage to uninsured and underinsured adults. The workgroup also concentrated on the expansion of the IowaCare program as specified in S.F. 2356; how to prepare the state for Medicaid expansion set to take place in 2014; and how to maximize the effectiveness of the existing (state) and new (federal) high-risk pools in providing care to uninsurable individuals between 2010 and 2014.

      The workgroup also took on the responsibility assigned to the Commission by 2010 Iowa Acts, Ch. 1121, §32, to:

      > *[...] also complete an annual review of the cost of health insurance mandates currently imposed on health insurance regulated by the state and provide projections of the cost of any mandates that the commission determines may be considered*

*by the general assembly during the upcoming legislative session. The review and projections shall be included in the annual reports provided by the commission to the general assembly pursuant to this section.*

**Meetings:** Workgroup I met on three occasions during 2010: July 8, September 16, and October 28.

At the October meeting, the workgroup unanimously adopted recommendations for presentation to the full Commission on December 15, 2010. The workgroup also prepared a report on its 2010 activities for presentation to the Commission at that time.

**Internet site:** Agendas and materials distributed in connection with Workgroup I may be accessed on the Internet at: http://www.legis.state.ia.us/aspx/Committees/Committee.aspx?id=506.

**b. Workgroup II – Value-based Health Care (Use/Creation of State Pool Workgroup in 2009)**

**Members:** Ms. Marcia Nichols (Chairperson), Mr. Tim Stiles, Mr. Joe Teeling, and Ms. Susan Voss, Iowa Commissioner of Insurance (Ex Officio).

**Charge:** Workgroup II changed its focus to concentrate on understanding the opportunities that exist in Iowa for cost-effective purchasing of public and privately financed health care.

**Meetings:** Workgroup II met on five occasions during 2010: June 17, July 15, August 19, September 15, and November 29.

At the November meeting, the workgroup unanimously adopted recommendations for presentation to the full Commission on December 15, 2010. The workgroup also prepared a report on its 2010 activities for presentation to the Commission at that time.

**Internet site:** Agendas and materials distributed in connection with Workgroup II may be accessed on the Internet at: http://www.legis.state.ia.us/aspx/Committees/Committee.aspx?id=507.

**c. Workgroup III – Insurance Information Exchange (Administration of Health Care Reform in Iowa Workgroup in 2009)**

**Members:** Mr. Ted Williams (Chairperson), Mr. Mike Abbott, Ms. Jennifer Browne, Ms. Joan Jaimes, and Mr. Tom Newton, Director of Public Health (Ex Officio).

**Charge:** Workgroup III concentrated on advising the Insurance Division regarding establishment of the state insurance information exchange and in making the federally required exchange, slated to begin in 2014, functional for Iowans.

This change followed the passage of S.F. 2356 and its requirement that the Iowa Commissioner of Insurance:

> *[…] in collaboration with the legislative health care coverage commission, shall develop a plan of operation for the exchange within one hundred eighty days from the effective date of this section. The plan shall create an information clearinghouse that provides resources where Iowans can obtain information about health care coverage that is available in the state.*

**Meetings:** Workgroup III met on six occasions during 2010: June 7, July 19, August 11, October 4, October 25, and November 19.

At the November meeting, the workgroup unanimously adopted recommendations for presentation to the full Commission on December 15, 2010. The workgroup also prepared a report on its 2010 activities for presentation to the Commission at that time.

**Internet site:** Agendas and materials distributed in connection with Workgroup III may be accessed on the Internet at: http://www.legis.state.ia.us/aspx/Committees/Committee.aspx?id=508.

### d. Workgroup IV – Wellness

**Members:** Mr. Joe Teeling (Chairperson), Ms. Betty Ahrens, Dr. David Carlyle, Ms. Jennifer Browne, Ms. Diane Crookham-Johnson, Mr. Bruce Koeppl, and Mr. Tom Newton, Director of Public Health (Ex Officio).

**Charge:** Workgroup IV was established in 2010 to concentrate on the benefits that sustainable behavioral change, at the population level, can provide to help control health care costs. The workgroup also examined the ramifications of requiring each employer in the state with more than 10 employees to adopt and maintain a cafeteria plan that satisfies Section 125 of the Internal Revenue Code of 1986.

**Meetings:** Workgroup IV met on four occasions during 2010: September 29, October 12, October 29, and December 7.

At the December meeting, the workgroup unanimously adopted recommendations for presentation to the full Commission on December 15, 2010. The workgroup also prepared a report on its 2010 activities for presentation to the Commission at that time.

**Internet site:** Agendas and materials distributed in connection with Workgroup IV may be accessed on the Internet at: http://www.legis.state.ia.us/aspx/Committees/Committee.aspx?id=509.

## C. 2010 Commission Meetings

While the Commission's statutory charge remained unchanged throughout the term of the Commission's existence, the health care reform landscape changed extensively with the passage

of the PPACA in March 2010. Much of the Commission's time in 2010 was spent discussing how Iowa should prepare for the full implementation of the PPACA in 2014.

A full summary of the Commission's meetings held in 2009 is contained in the Commission's January 2010 Progress Report:
http://www.legis.state.ia.us/lsadocs/IntReport/2010/IPSLL000.PDF.

The following is a brief summary of the four Commission meetings held in 2010. Agendas, materials distributed, and minutes for each Commission meeting are available on the Commission's Internet site at:
http://www.legis.state.ia.us/scripts/docmgr/docmgr_comdocs.dll/showtypeinterim?idt=true&type=ih&com=484.

1. **January 6, 2010.** The Commissioners reviewed the Commission's 2009 Progress Report. After discussion, the report was unanimously approved. The report was then provided to Senate Majority Leader Michael Gronstal, Speaker of the House of Representatives Patrick Murphy, and Governor Chet Culver on January 19, 2010.

   Commissioners discussed the near-term focus for the Commission's three existing workgroups. The Commissioners decided that Workgroup I (Coverage of Adults) would continue to consider options for expanding the IowaCare program. Workgroup II (Use/Creation of State Pool) would continue to investigate approaches related to insurance pooling. Workgroup III (Administration of Health Care Reform in Iowa) would continue to consider options for an exchange to improve transparency in the health care system.

   Chairperson Carlyle presented a plan to form a fourth Commission workgroup to be chaired by Commissioner Joe Teeling. Mr. Teeling suggested the new workgroup could consider reviewing areas of inefficiency in the current system, the effect of wellness and behavior changes and disease management, and ways to cover small groups of 10 or fewer persons that are more affordable and practical than what currently exists in the marketplace.

2. **July 21, 2010.** Chairperson Carlyle congratulated the Commission on the passage of 2010 Iowa Acts, Ch. 1134 (S.F. 2356), which incorporated several of the Commission's 2009 recommendations including expansion of the IowaCare program and creation of a diabetic registry, as well as direction to establish an Iowa Insurance Information Exchange by 2011.

   Dr. JoAnn Lamphere, AARP Director, State Government Relations, Health and Long-term Care Issues, gave a presentation "Health Reform Update – What's in it for the States – challenges and opportunities." A summary of Dr. Lamphere's remarks is available in the July 21, 2010, meeting minutes.

   Commissioners discussed the PPACA's new high-risk pool initiative and potential means of maximizing the pool's effect on lowering the number of uninsured Iowans. Representative Upmeyer noted that Iowa currently provides low-cost, high-quality health care as compared to other states. She stated that Iowa has provided health

care coverage for most of its children, already has a high-risk pool for those who cannot obtain health insurance elsewhere, and has the IowaCare program that provides coverage for adults using a common-sense Midwestern approach.

Commission Coordinator Kinzel presented a timeline of changes and requirements contained in the PPACA beginning in 2010 and continuing to 2018. Ms. Kinzel included the major components of the federal legislation and potential impacts on Iowans, particularly the uninsured.

Chairperson Carlyle noted that legislative leaders requested the assistance of the Commission in reviewing the document provided by Commission Coordinator Kinzel entitled "State Funding Opportunities – The Patient Protection and Affordable Care Act" to provide recommendations to leaders to be shared with the executive branch and Iowa's congressional delegation. Commissioners emphasized the need to make recommendations without micromanaging state agencies and to consider the state's capacity and resource issues. Commissioners also discussed the need to take advantage of early opportunities for funding, the need for state agencies to work together, and the need to support the role of consumers in the process.

After discussion, the Commission adopted a motion encouraging the Commissioner of Insurance, the Director of the Department of Human Services, and the Director of Public Health to pursue available PPACA grants, including those grants specifically referred to by Ms. Jennifer Vermeer, Iowa Medicaid Director, and Director Tom Newton in their presentations to the Commission, and to periodically provide a list to the Commission of the grants they are planning to apply for and the status of grant applications.

Ms. Vermeer and Director Newton provided updates regarding how their agencies were responding to the PPACA.

Commission Coordinator Kinzel provided an update on behalf of the Iowa Insurance Division. Ms. Beth Jones, DPH, provided an update on the Department's Medicaid Medical Home initiative. Each of the four workgroups provided an update on workgroup activities.

3. **November 10, 2010.** Commissioners provided comments outlining their vision for health care reform in Iowa. In addition, Mr. David Lind of David P. Lind & Associates, LC, a Des Moines-based independent employee benefits consulting firm, presented information relating to single and family health care coverage premiums from 1999 to 2010, projections of future premium increases for family coverage through 2020 assuming varying average growth rates, and projected deductibles for single and family coverage through 2020, from the firm's 2010 Iowa Benefits Study©.

   Each workgroup chairperson gave a report on their 2010 workgroup activities.

   Chairperson Carlyle reminded Commissioners that they would only be voting on the Workgroup III recommendation relating to the establishment of the 2011 Iowa Insurance Information Exchange at this meeting and that voting on the remaining recommendations would take place at the Commission's December meeting. The

recommendation was deliberated over in detail, and adopted unanimously by the Commission.

4. **December 15, 2010.** Dr. Keith J. Mueller, Gerhard Hartman Professor, Head of the Department of Health Management and Policy, College of Public Health, University of Iowa, and Director, Rural Policy Research Institute Center for Rural Health Policy Analysis, provided an analysis of the PPACA's potential impact on rural health care.

   The four workgroups presented their recommendations to the full Commission for approval. Each recommendation was deliberated over in detail, and voted upon by the Commissioners.

# VI. 2010 Commission Recommendations

## A. Recommendation 1

The Iowa Comprehensive Health Insurance Association Board (HIPIowa) should lower the premium rate for HIPIowa coverage to below 150 percent of the average premium in the voluntary market to achieve greater parity with the HIPIOWA-FED program.

## B. Recommendation 2

If HIPIowa does not have the statutory authority to lower the premium rate for HIPIowa coverage to below 150 percent of the average premium in the voluntary market, Code Section 514E.2(6) should be amended to allow HIPIowa to exercise the authority to reduce the premium to below 150 percent of the average premium in the voluntary market.

## C. Recommendation 3

The state should plan for a new eligibility system that will meet the requirements of the PPACA and will support eligibility determinations for Medicaid, CHIP, and the tax credit subsidies within the 2014 Iowa Health Benefit Purchasing Exchange. The planning for the eligibility information technology system needs to align with the planning work for the exchange.

## D. Recommendation 4

The eligibility system should be housed within DHS to avoid duplication of effort.

## E. Recommendation 5

DHS should start planning and analysis for the new information technology system immediately in order to meet the tight timeframes required by the PPACA. The planning and analysis must identify and address any impacts to current DHS information technology systems and provide necessary remediation.

## F. Recommendation 6

DHS should investigate how the inclusion of behavioral health benefits in a PPACA benchmark plan would impact the delivery and financing of behavioral health services in Iowa.

## G. Recommendation 7

The State of Iowa should vigorously pursue all federal funding opportunities under the PPACA, including implementation funding for the 2014 Iowa Health Benefit Purchasing Exchange and maximizing funds for eligibility system implementation.

## H. Recommendation 8

The Legislature should enact the Iowa Department of Public Health's "Health Information Act" bill during the 2011 Legislative Session.

## I. Recommendation 9

The Commission recommends that the Legislature consider incorporating the following cost containment strategies into law in 2011:

### 1. Strategy No. 1 – Establish Databases That Collect Health Insurance Claims Information

- Collect claims data from all health care payers into a statewide information repository, designed to inform cost containment and quality improvement efforts.
- Payers include private health insurers, Medicaid, hawk-i and public employee health benefit programs, prescription drug plans, dental insurers, self-insured plans, and Medicare.
- Collecting all claims into one data system will allow Iowa to determine what the real cost of care is in our state, how much providers receive from different payers for the same or similar services, and what resources were used to treat patients.
- Without comprehensive data on costs, it will be difficult to identify and eliminate waste.

### 2. Strategy No. 2 – Strengthen Quality Care

- Rename the *Health Facilities Council* the *Health Care Cost Containment Council*. Broaden its duties and make it a separate division within DPH and add a Health Economist to the staff of the new Council.
- Use to the maximum extent possible data and information collected independently by the state including the all-payer claims database discussed in Strategy No. 1.
- Update the program emphasis and criteria to encourage health system development for wellness and health promotion and to improve quality and reduce cost.
- Task the Health Care Cost Containment Council with rewriting Code Chapter 135, Division VI, the Health Facilities Council Division – better known as the Certificate

of Need (CON) provision. The Code chapter has not been revised since the 1970s. It needs to reflect today's medical technologies.

- Require all new hospitals, including replacements and expansions within the same county, to complete the CON process.
- Require all new surgical centers and other specialty centers, including those initiated by hospitals or by physician practices, to complete the CON process.
- Require all new, replacement, or expanded nursing facilities to complete the CON process.

**3. Strategy No. 3 – Better Management of Pharmaceutical Drugs**

Help local pharmacists better collaborate with doctors in providing patients with the most effective and cost-saving medications.

**4. Strategy No. 4 – Create a New Health Care Provider Payment System**

The PPACA directs the United States Department of Health and Human Services to solicit and choose several pilot projects between 2012 and 2016 to further study and implement a better payment system. Iowa should pursue one or more of these opportunities to help equalize our reimbursements to our providers and create a more efficient method of providing care to our constituents.

These pilot projects are:

- Accountable Care Organizations are being looked at in our state as an effective way to care for a population of patients (either Medicare or commercial) in that the structure will promote coordination of care, lower cost, improve quality, and absorb risk.
- Global payment system demonstration project.
- Episode-of-care payment demonstration project for Medicaid.

## J. Recommendation 10

The Iowa Insurance Information Exchange shall be fully operational by July 1, 2011, and shall operate under the following guidelines:

**1. Purpose**

The Iowa Insurance Information Exchange shall adopt as its purpose the provision of impartial information about available private and public health coverage options in Iowa, and the facilitation of enrollment through an insurance professional or designated state agency.

**2. Governance**

The Iowa Insurance Information Exchange shall be located in a new or existing state agency, or a quasi-governmental agency with an advisory board. The advisory board shall consist of individuals representing carriers, providers, agents/brokers and the

public. At such time as a governing board is established for the 2014 Iowa Health Benefit Purchasing Exchange, that governing board should replace and assume the duties of the advisory board of the Iowa Insurance Information Exchange. The advisory board shall:

- Review the plan of operation and submit proposed amendments.
- Create a financial plan that will insure the Iowa Insurance Information Exchange will be able to carry out its duties, including determining from the plan of operation if an assessment beyond the S.F. 2356 appropriation is necessary for the proper administration of the Iowa Insurance Information Exchange.
- Review outstanding contracts or agreements and make necessary corrections, improvements, or additions.
- Hold quarterly advisory board meetings and an annual meeting of the advisory board to be held at such times and places as the advisory board may determine.
- Review, consider, and act on any other matters deemed necessary and proper for the administration of the Iowa Insurance Information Exchange.

**3. Consumer Disclosure/Transparency**

- Carriers and public plans shall use a standardized format for presenting health coverage options in the Iowa Insurance Information Exchange to facilitate comparison of all plans.
- The Iowa Insurance Information Exchange shall promote the development and use of quality measurements for providers, and transparency in provider cost and quality measurements**.**

**4. Duties**

The Iowa Insurance Information Exchange shall be responsible for operating a call center/web portal system capable of:

- Providing impartial and easily accessible information about available private and public health coverage options in Iowa (Medicaid, hawk-i, IowaCare, and state and federal high-risk pools).
- Facilitating private and public plan enrollment through an insurance professional or designated state agency.
- Collecting data from carriers and public agencies and from the operation of the Iowa Insurance Information Exchange's call center/web portal.
- Coordinating and communicating between health plans and publicly provided coverage to ensure seamlessness.

- Conducting an initial marketing campaign promoting the Iowa Insurance Information Exchange and the availability of comparative health coverage information in Iowa.
- Conducting ongoing marketing of the Iowa Insurance Information Exchange.
- Requiring carriers, organized delivery systems, and public programs to submit coverage and eligibility changes quarterly to the Iowa Insurance Information Exchange for updates to the call center/web portal.

**5. Rationale**

Use the Iowa Insurance Information Exchange to ease into an exchange that distributes subsidies, while at the same time promoting important goals between 2011 and 2014.

## K. Recommendation 11

Iowa should take all necessary action to maximize its opportunities to administer its own health care markets by committing resources to the processes necessary to establish a 2014 Iowa Health Benefit Purchasing Exchange.

## L. Recommendation 12

Iowa should take action in 2011 to promote the establishment of a 2014 Iowa Health Benefit Purchasing Exchange. The Legislature should take action during the 2011 Legislative Session to establish an independent entity to guide the planning, development, and eventual governance of a 2014 Iowa Health Benefit Purchasing Exchange.

## M. Recommendation 13

The Iowa Insurance Information Exchange shall be designed and operated to ensure the most seamless transition possible to a 2014 Iowa Health Benefit Purchasing Exchange within the dates prescribed by the PPACA.

## N. Recommendation 14

The Iowa Legislative Health Care Coverage Commission shall serve as the Iowa Insurance Information Exchange Advisory Board in order to fulfill its statutory duties as specified in S.F. 2356 (Code Section 505.32).

## O. Recommendation 15

In 2011, Iowa needs to begin the process of cultural transformation for better health and well-being. This change will begin to shift the high cost of health care and lead Iowa down the path to be one of the healthiest states in the nation.

Iowa must set a state goal of promoting positive health and well-being. Our culture must empower and expect Iowans to assume personal responsibility for maximizing their individual, family, and community health. Those barriers which prevent Iowans from leading healthy lives must be pushed aside by enacting evidence-based population and individual health-promoting policies.

To reach the long-term goal of making Iowa one of the healthiest states in the nation with sustainable health care costs, the following concrete first steps should be pursued in 2011:

1. Instituting an outcomes-based wellness program for the State of Iowa.
2. Making use of tax credits to realize a healthier Iowa by:
   - Promoting the maximum possible use of the PPACA worksite wellness credits.
   - Creating state-based health and wellness tax credits for businesses that do not qualify for federal credits, using the Small Business Qualified Wellness Tax Credit plan (H.F. 2536) as a model.
3. Directing DPH and the Iowa Insurance Division to work together to develop best practices that will allow the incorporation and promotion of worksite wellness programs in Iowa employer-sponsored health insurance.
4. Determining how wellness measures can be incorporated into plans that will be sold in a 2014 Iowa Health Benefit Purchasing Exchange.
5. Developing a public (Medicaid) and private (insured) Iowa medical home model that incorporates health and wellness promotion.
6. Encouraging the Legislature to offer state employees a wellness program.

**The Issue:** Iowa's indicators of health and well-being are declining and health care costs are rising. The data clearly states these declines and increases will continue into the foreseeable future unless cultural sectors acknowledge, embrace, and fund an environment that allows for cultural transformation.

Without a fundamental change geared towards cultural transformation where all Iowans can live healthier, the human and financial toll of poor health and disease will rob the state of a successful and secure future.

Cultural transformation for health and well-being needs to happen now because:

- More than one million Iowans or almost two out of every five (38 percent) state residents suffer from at least one chronic disease. (*The Prevalence and Cost of Select Chronic Diseases*. The Lewin Group. Research conducted for the Pharmaceutical Research and Manufacturers of America. March 2007.)
- The percentage of adult Iowans diagnosed with diabetes increased 26 percent between 2000 and 2009. (Centers for Disease Control and Prevention: National Diabetes Surveillance System. Available online at: www.cdc.gov/diabetes/statistics/index.htm.)
- Chronic diseases, such as heart disease, stroke, and all cancers, are the leading causes of death for adults in Iowa, claiming more than 18,000 Iowans each year. (*Fact Sheet: Facts & Figures About Chronic Disease in Iowa.* Partnership for Better Health. Available at: www.partnershipforbetterhealth.org/images/stories/pdf/factsheet/IFS.pdf.)

- Heart disease accounts for 27 percent of deaths in Iowa, and stroke accounts for 7 percent of deaths. (*Iowa: Burden of Chronic Diseases*. Centers for Disease Control 2008. Available at: www.cdc.gov/chronicdisease/states/pdf/iowa.pdf.)

- 27 percent of adults in Iowa report in 2007 having high blood pressure (hypertension) and 38 percent of those screened report having high blood cholesterol, factors that put individuals at greater risk for developing heart disease and stroke. (*Iowa: Burden of Chronic Diseases.* Centers for Disease Control 2008. Available at: www.cdc.gov/chronicdisease/states/pdf/iowa.pdf.)

- 23 percent of all Iowa deaths in 2005 were due to cancer. The American Cancer Society estimates that 16,540 new cases of cancer were diagnosed in Iowa in 2007, including 1,930 new cases of colorectal cancer and 2,000 new cases of breast cancer in women. (*Iowa: Burden of Chronic Diseases.* Centers for Disease Control 2008. Available at: www.cdc.gov/chronicdisease/states/pdf/iowa.pdf.)

- 65 percent of adult Iowans were overweight or obese and 14 percent of high school students were overweight, based on self-reported height and weight. (2007) Furthermore:

    - 81 percent of high school students and 80 percent of adults in Iowa consumed fewer than five fruits and vegetables per day.

    - 30 percent of Iowa high school students did not attend physical education classes.

    - 52 percent of adults did not engage in sufficient moderate or vigorous physical activity. (*Iowa: Burden of Chronic Diseases.* Centers for Disease Control 2008. Available at: www.cdc.gov/chronicdisease/states/pdf/iowa.pdf.)

- Iowa spends an estimated $783 million yearly in obesity-related medical expenditures. (Finkelstein E., Fiebelkorn I., Guijing W. *State-Level Estimates of Annual Medical Expenditures Attributable to Obesity. Obesity Research.* 2004; 12:18-24. Available at: www.obesityresearch.org/cgi/reprint/12/1/18.)

- The economic cost of chronic disease to Iowa's state and local governments, communities, employers, and individuals is estimated to be $7.6 billion per year. This cost reflects direct expenditures, such as payments for health care services, and indirect costs, such as lost workdays and lower productivity. (*Health Care Reform: Implications for UI Health Care.* Jean Robillard, M.D. Presentation to the Board of Regents State of Iowa, September 16, 2010.)

Picture a community where all cultural sectors are aligned in purpose around the health and well-being of every Iowan. We could reverse poor health risk behaviors to focus on preventive behaviors with a culture aligned with a common purpose.

**In Summary.** Over the last four years, Iowa has spent an extensive amount of time and effort through the Commission and the subsequent advisory councils studying and learning about the high cost of health care. We learned that Iowa has many successful programs dedicated to the health and well-being of Iowans. Now the challenge is uniting all influences to bring about transformational change to Iowans that will allow Iowans a healthy and financially secure future.

One thing that has stood out time and again is that 75-80 percent of all our health care costs are driven through behavioral choices. We believe it is now time to spend 75-80 percent of our efforts to reverse this behavioral epidemic. It will require immense leadership from all levels of society, including individuals, families, faith-based organizations, businesses, nonprofits, the media, and arts and entertainment, all the way to communities and government. This cultural transformation will be difficult, but ultimately it is the lives of all Iowans at stake. Now is the time.

## P. Recommendation 16

Iowa should promote the use of all existing employer-related health care coverage-related tax credits. The Iowa Insurance Division, the Iowa Department of Revenue, the Department of Workforce Development, and the Iowa Department of Economic Development should work together with business, trade, and labor associations and organizations to ensure that all employers, including specifically very small employers (<10 employees) are: 1) made aware of the existing tax credits, 2) encouraged to use tax credits to reduce their cost of purchasing employee coverage, and 3) provided technical assistance in obtaining tax credits.

The PPACA amends Section 125 of the Internal Revenue Code so that insurance purchased from a health benefit purchasing exchange cannot be funded through a so-called “cafeteria plan” unless an employee’s employer is eligible to participate in the exchange and chooses to make group coverage available to the employee through the exchange. This means that under the PPACA, individual insurance policies offered by a state health benefit purchasing exchange cannot be purchased with pre
tax dollars through a cafeteria plan.

## Q. Recommendation 17

The Commission supports the inclusion of wellness programs for individuals and small employers in the 2014 Iowa Health Benefit Purchasing Exchange.

# VII. Summary

## A. Additional Comment on Commission’s Statutory Charge

The Commission worked diligently to meet its charge as defined in S.F. 389. During the Commission’s existence there was a major shift in the health care reform landscape with the passage of the PPACA in March 2010. Many of the provisions of the PPACA will impact Iowa in ways which were not anticipated when the Commission received its charge. Throughout 2010, the Commission worked to meet its charge while also being responsive to the requirements of the PPACA. At Chairperson’s Carlyle’s request, the Commission’s charge was reviewed to highlight how the Commission’s 2009 and 2010 recommendations address the S.F. 389 charge. The

attached table places the Commission's 2009 and 2010 recommendations in context with the Commission's statutory charge (Attachment B).

## B. Mandate Review

In 2010, the Commission was given an additional duty to complete an annual review of the cost of health insurance mandates currently imposed on health insurance regulated by the state, and to provide projections of the cost of any mandates that the Commission determines may be considered by the General Assembly during the legislative session. This information was required to be included in the Commission's annual reports to the General Assembly (2010 Iowa Acts, Ch. 1121, §32 (S.F. 2201)).

Completion of this duty was assigned to Workgroup I.

As the Iowa Insurance Division does not track the cost of health insurance mandates in Iowa, Commissioner of Insurance Susan Voss suggested that the Commission ask the state's largest health insurance carriers to provide the information. Letters were sent to the state's five largest carriers: Wellmark, Coventry Health Care of Iowa, Humana Insurance Company, Principal Life Insurance Company, and UnitedHealthCare Plan of the River Valley asking that they provide the Commission with information regarding the cost of those mandates. A representative of the Federation of Iowa Insurers responded that an inquiry of health insurance carriers operating in Iowa indicates they do not attempt to quantify the impact of mandates on premiums as a matter of course. (Communication from Paula Dierenfeld, Federation of Iowa Insurers, Oct. 19, 2010). The Commission did not have the resources to make further inquiry regarding the cost of mandates or to make any concrete recommendations.

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# LEGISLATIVE HEALTH CARE COVERAGE COMMISSION
# 2009 - 2010

## EX OFFICIO MEMBERS

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Des Moines, Iowa

Representative Mark D. Smith (D)
Marshalltown, Iowa

Senator David Johnson (R)
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Representative Linda L. Upmeyer (R)
Garner, Iowa

### EXECUTIVE

Mr. Charles J. Krogmeier, Director
Department of Human Services
Des Moines, Iowa

Mr. Tom Newton, Director
Department of Public Health
Des Moines, Iowa

Ms. Susan Voss, Commissioner
Insurance Division
Department of Commerce
Des Moines, Iowa

# LEGISLATIVE HEALTH CARE COVERAGE COMMISSION
# 2009 - 2010

## PUBLIC MEMBERS - VOTING

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Ames, Iowa

**Iowa Insurer Representative**
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American Enterprise Group
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**Independent Insurance Agents Representative**
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Benefit Source Inc.
West Des Moines, Iowa

**Consumer Representing Low-income Adults and Families**
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Marshalltown, Iowa

**Labor Representative**
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AFSCME IA Council 61
Des Moines, Iowa

**Health Underwriter Representative**
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West Des Moines, Iowa

**Small Business Representative**
Mr. Ted Williams, Vice Chairperson
The Williams Group
Des Moines, Iowa

**Consumer Representing Middle-income Adults and Families**
Ms. Betty Ahrens
Iowa City, Iowa

**Large Employer Representative**
Ms. Diane Crookham-Johnson
Musco Lighting Corporation
Oskaloosa, Iowa

**Consumer Representing Pre-Medicare Population**
Mr. Bruce Koeppl
AARP
Des Moines, Iowa

**Nonprofit Representative**
Mr. Tim Stiles
United Way of Siouxland
Sioux City, Iowa

# Table of Commission's Charge Under 2009 Iowa Acts, Chapter 118, Section 1, and Commission's Related Recommendations

**CHARGE: CHILDREN'S NETWORK.** Review, analyze, and make recommendations for options for the coordination of a children's health care network in the state that provides health care coverage to all children without such coverage; utilizes, modifies, and enhances existing state programs; maximizes the ability of the state to obtain federal funding and reimbursement for such programs; and provides access to private, affordable health care coverage for children who are not otherwise eligible for health care coverage through public programs.

**2009 RECOMMENDATIONS**

✓ **Recommendation 2.** Fund increases in DHS technological capacities.

✓ **Recommendation 3.** Iowa should pursue early opt-in opportunities presented by federal health care reform.

✓ **Recommendation 6.** Iowa needs to develop a more seamless system for Iowans moving from public health care to private health care coverage, and moving from one public health insurance program to another.

✓ **Recommendation 9.** Iowa should begin the process of designing an Iowa exchange.

✓ **Recommendation 11.** The Commission should identify and prioritize those issues and public health concerns that when addressed could make the greatest impact on the health of Iowans and thereby also improve the overall level of cost of care.

**2010 RECOMMENDATIONS**

✓ **Recommendation 3.** The state should plan for a new eligibility system that will meet the requirements of the PPACA and will support eligibility determinations for Medicaid, CHIP, and the tax credit subsidies within the 2014 Iowa Health Benefit Purchasing Exchange.

✓ **Recommendation 5.** DHS should start planning and analysis for the new information technology system immediately in order to meet the tight timeframes required by the PPACA.

✓ **Recommendation 6.** DHS should investigate how the inclusion of behavioral health benefits in a benchmark plan would impact the delivery and financing of behavioral health services in Iowa.

✓ **Recommendation 7.** The State of Iowa should vigorously pursue all federal funding opportunities under the PPACA.

✓ **Recommendation 9 – Strategy No. 1.** Establish databases that collect health insurance claims information.

✓ **Recommendation 9 – Strategy No. 4.** Create a new health care provider payment system.

✓ **Recommendation 12.** Iowa should take action in 2011 to promote the establishment of a 2014 Iowa Health Benefit Purchasing Exchange.

✓ **Recommendation 15.** In 2011, Iowa needs to begin the process of cultural transformation for better health and well-being. This change will begin to shift the high cost of health care and lead Iowa down the path to be one of the healthiest states in the nation.

✓ **Recommendation 16.** Iowa should promote the use of all existing employer-related health care coverage-related tax credits.

**CHARGE: SEAMLESS TRANSITION.** Review, analyze, and make recommendations for options for children, adults and families to transition seamlessly among public and private health care coverage options.

**2009 RECOMMENDATIONS**

✓ **Recommendation 2.** Fund increases in DHS technological capacities.

✓ **Recommendation 3.** Iowa should pursue early opt-in opportunities presented by federal health care reform.

✓ **Recommendation 6.** Iowa needs to develop a more seamless system for Iowans moving from public health care to private health care coverage, and moving from one public health insurance program to another.

✓ **Recommendation 7.** The Iowa Insurance Division and the Commissioner of Insurance should pursue all statutory options to improve seamlessness through increasing opportunities for "creditable coverage" in Iowa.

✓ **Recommendation 8.** Information should be readily available to Iowans that provides details about the health care services provided by the safety net providers.

✓ **Recommendation 9.** Iowa should begin the process of designing an Iowa exchange.

✓ **Recommendation 10.** An Iowa exchange will need to provide quality data on providers and plans, and data on the cost of medical care to consumers and funders.

**2010 RECOMMENDATIONS**

✓ **Recommendation 3.** The state should plan for a new eligibility system that will meet the requirements of the PPACA and will support eligibility determinations for Medicaid, Children's Health Insurance Program (CHIP or hawk-i), and the tax credit subsidies within the 2014 Iowa Health Benefit Purchasing Exchange.

✓ **Recommendation 4.** The eligibility system should be housed within DHS to avoid duplication of effort.

✓ **Recommendation 5.** DHS should start planning and analysis for the new information technology system immediately in order to meet the tight timeframes required by the PPACA.

✓ **Recommendation 7.** The State of Iowa should vigorously pursue all federal funding opportunities under the PPACA.

✓ **Recommendation 9 – Strategy No. 1.** Establish databases that collect health insurance claims information.

✓ **Recommendation 10:** The Iowa Insurance Information Exchange shall be fully operational by July 1, 2011.

✓ **Recommendation 11.** Iowa should take all necessary action to maximize its opportunities to administer its own health care markets by committing resources to the processes necessary to establish a 2014 Iowa Health Benefit Purchasing Exchange.

✓ **Recommendation 12.** Iowa should take action in 2011 to promote the establishment of a 2014 Iowa Health Benefit Purchasing Exchange.

✓ **Recommendation 13.** The Iowa Insurance Information Exchange shall be designed and operated to ensure the most seamless transition possible to a 2014 Iowa Health Benefit Purchasing Exchange within the dates prescribed by the PPACA.

✓ **Recommendation 14.** The Iowa Legislative Health Care Coverage Commission shall serve as the Iowa Insurance Information Exchange Advisory Board in order to fulfill its statutory duties as specified in S.F. 2356 (Code Section 505.32).

**CHARGE: COVERAGE OPTIONS.** Review, analyze, and make recommendations for options for subsidized and unsubsidized health care coverage programs which offer public and private, adequate and affordable health care coverage including but not limited to options to purchase coverage with varying levels of benefits including basic or catastrophic benefits, an intermediate level of benefits, and comprehensive benefits coverage. The Commission is also required to consider options and make recommendations for providing an array of benefits that may include physical, mental, and dental health care coverage. Affordable health care coverage options for purchase by adults and families shall be developed with the goal of including options for which the contribution requirement for all cost-sharing expenses is no more than 6.5 percent of family income.

**2009 RECOMMENDATIONS**

✓ **Recommendation 1.** Expand the IowaCare Program.

✓ **Recommendation 2.** Fund increases in DHS technological capacities.

✓ **Recommendation 3.** Iowa should pursue early opt-in opportunities presented by federal health care reform.

✓ **Recommendation 4.** Iowa should develop a statewide diabetic registry.

✓ **Recommendation 6.** Iowa needs to develop a more seamless system for Iowans moving from public health care to private health care coverage, and moving from one public health insurance program to another.

✓ **Recommendation 7.** The Iowa Insurance Division and the Commissioner of Insurance should pursue all statutory options to improve seamlessness through increasing opportunities for "creditable coverage" in Iowa.

✓ **Recommendation 9.** Iowa should begin the process of designing an Iowa exchange.

✓ **Recommendation 10.** An Iowa exchange will need to provide quality data on providers and plans, and data on the cost of medical care to consumers and funders.

**2010 RECOMMENDATIONS**

✓ **Recommendation 1.** The Iowa Comprehensive Health Insurance Association Board (HIPIowa) should lower the premium rate for HIPIowa coverage to below 150 percent of the average premium in the voluntary market to achieve greater parity with the HIPIOWA-FED program.

✓ **Recommendation 2.** If HIPIowa does not have the statutory authority to lower the premium rate for HIPIowa coverage to below 150 percent of the average premium in the voluntary market, Code Section 514E.2(6) should be amended to allow HIPIowa to exercise the authority to reduce the premium to below 150 percent of the average premium in the voluntary market.

✓ **Recommendation 3.** The state should plan for a new eligibility system that will meet the requirements of the PPACA and will support eligibility determinations for Medicaid, CHIP, and the tax credit subsidies within the 2014 Iowa Health Benefit Purchasing Exchange.

✓ **Recommendation 4.** The eligibility system should be housed within DHS to avoid duplication of effort.

✓ **Recommendation 5.** DHS should start planning and analysis for the new information technology system immediately in order to meet the tight timeframes required by the PPACA.

✓ **Recommendation 6.** DHS should investigate how the inclusion of behavioral health benefits in a benchmark plan would impact the delivery and financing of behavioral health services in Iowa.

✓ **Recommendation 7.** The State of Iowa should vigorously pursue all federal funding opportunities under the PPACA.

✓ **Recommendation 9 – Strategy No. 1.** Establish databases that collect health insurance claims information.

✓ **Recommendation 9 – Strategy No. 4.** Create a new health care provider payment system.

✓ **Recommendation 10.** The Iowa Insurance Information Exchange shall be fully operational by July 1, 2011.

✓ **Recommendation 11.** Iowa should take all necessary action to maximize its opportunities to administer its own health care markets by committing resources to the processes necessary to establish a 2014 Iowa Health Benefit Purchasing Exchange.

✓ **Recommendation 12.** Iowa should take action in 2011 to promote the establishment of a 2014 Iowa Health Benefit Purchasing Exchange.

✓ **Recommendation 13.** The Iowa Insurance Information Exchange shall be designed and operated to ensure the most seamless transition possible to a 2014 Iowa Health Benefit Purchasing Exchange within the dates prescribed by the PPACA.

✓ **Recommendation 14.** The Iowa Legislative Health Care Coverage Commission shall serve as the Iowa Insurance Information Exchange Advisory Board in order to fulfill its statutory duties as specified in S.F. 2356 (Code Section 505.32).

**CHARGE: STATE POOL.** Review, analyze, and make recommendations for options to offer a program to provide coverage under a state health or medical group insurance plan to nonstate public employees, including employees of counties, cities, schools, area education agencies, and community colleges, and to employees of nonprofit employers and small employers and to pool such employees with the state plan.

**2009 RECOMMENDATIONS**

✓ **Recommendation 5.** Opening of the state pool is a concept worthy of further exploration, but not a process ready to be used. Prior to opening the state employee pool to new groups, further exploration is needed, including development of measures which will protect the stability of the state employee pool from both a cost and benefits perspective.

**CHARGE: IRS SECTION 125.** Review, analyze, and make recommendations for the ramifications of requiring each employer in the state with more than 10 employees to adopt and maintain a cafeteria plan that satisfies section 125 of the Internal Revenue Code of 1986.

**2010 RECOMMENDATIONS**

✓ **Recommendation 16.** Iowa should promote the use of all existing employer-related health care coverage-related tax credits. The Iowa Insurance Division, the Iowa Department of Revenue, the Department of Workforce Development, and the Iowa Department of Economic Development should work together with business, trade, and labor associations and organizations to ensure that all employers, including specifically very small employers (<10 employees) are: 1) made aware of the existing tax credits, 2) encouraged to use tax credits to reduce their cost of purchasing employee coverage, and 3) provided technical assistance in obtaining tax credits.

**CHARGE: LONG-TERM STRATEGY.** Review, analyze, and make recommendations for options for development of a long-term strategy to provide access to affordable health care coverage to the uninsured in Iowa, particularly adults, and development of a structure to implement that strategy including consideration of whether to utilize an existing government agency or a newly created entity.

**2009 RECOMMENDATIONS**

✓ **Recommendation 2.** Fund increases in DHS technological capacities.

✓ **Recommendation 3.** Iowa should pursue early opt-in opportunities presented by federal health care reform.

✓ **Recommendation 6.** Iowa needs to develop a more seamless system for Iowans moving from public health care to private health care coverage, and moving from one public health insurance program to another.

✓ **Recommendation 8.** Information should be readily available to Iowans that provides details about the health care services provided by the safety net providers.

✓ **Recommendation 9.** Iowa should begin the process of designing an Iowa exchange.

✓ **Recommendation 10.** An Iowa exchange will need to provide quality data on providers and plans, and data on the cost of medical care to consumers and funders.

✓ **Recommendation 11.** The Commission should identify and prioritize those issues and public health concerns that when addressed could make the greatest impact on the health of Iowans and thereby also improve the overall level of cost of care.

**2010 RECOMMENDATIONS**

✓ **Recommendation 3.** The state should plan for a new eligibility system that will meet the requirements of the PPACA and will support eligibility determinations for Medicaid, CHIP, and the tax credit subsidies within the 2014 Iowa Health Benefit Purchasing Exchange.

✓ **Recommendation 4.** The eligibility system should be housed within the DHS to avoid duplication of effort.

✓ **Recommendation 5.** DHS should start planning and analysis for the new information technology system immediately in order to meet the tight timeframes required by the PPACA.

✓ **Recommendation 6.** DHS should investigate how the inclusion of behavioral health benefits in a benchmark plan would impact the delivery and financing of behavioral health services in Iowa.

✓ **Recommendation 7.** The State of Iowa should vigorously pursue all federal funding opportunities under the PPACA.

✓ **Recommendation 8.** The Legislature should enact the Iowa Department of Public Health's "Health Information Act" bill during the 2011 Legislative Session.

✓ **Recommendation 9 – Strategy No. 1.** Establish databases that collect health insurance claims information.

✓ **Recommendation 9 – Strategy No. 2.** Strengthen quality care.

✓ **Recommendation 9 – Strategy No. 3.** Better management of pharmaceutical drugs.

✓ **Recommendation 9 – Strategy No. 4.** Create a new health care provider payment system.

✓ **Recommendation 10.** The Iowa Insurance Information Exchange shall be fully operational by July 1, 2011.

✓ **Recommendation 11.** Iowa should take all necessary action to maximize its opportunities to administer its own health care markets by committing resources to the processes necessary to establish a 2014 Iowa Health Benefit Purchasing Exchange.

✓ **Recommendation 12.** Iowa should take action in 2011 to promote the establishment of a 2014 Iowa Health Benefit Purchasing Exchange.

✓ **Recommendation 13.** The Iowa Insurance Information Exchange shall be designed and operated to ensure the most seamless transition possible to a 2014 Iowa Health Benefit Purchasing Exchange within the dates prescribed by the PPACA.

✓ **Recommendation 15.** In 2011, Iowa needs to begin the process of cultural transformation for better health and well-being. This change will begin to shift the high cost of health care and lead Iowa down the path to be one of the healthiest states in the nation.

✓ **Recommendation 16.** Iowa should promote the use of all existing employer-related health care coverage-related tax credits.

✓ **Recommendation 17.** The Commission supports the inclusion of wellness programs for individuals and small employers in the 2014 Iowa Health Benefit Purchasing Exchange.

**CHARGE: GUARANTEED ISSUE.** Design solutions to issues relating to guaranteed issuance of insurance, preexisting condition exclusions, portability, and allowable pooling and rating classifications.

**2009 RECOMMENDATIONS**

✓ **Recommendation 2.** Fund increases in DHS technological capacities.

✓ **Recommendation 3.** Iowa should pursue early opt-in opportunities presented by federal health care reform.

✓ **Recommendation 6.** Iowa needs to develop a more seamless system for Iowans moving from public health care to private health care coverage, and moving from one public health insurance program to another.

✓ **Recommendation 7.** The Iowa Insurance Division and the Commissioner of Insurance should pursue all statutory options to improve seamlessness through increasing opportunities for "creditable coverage" in Iowa.

✓ **Recommendation 8.** Information should be readily available to Iowans that provides details about the health care services provided by the safety net providers.

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✓ **Recommendation 10.** An Iowa exchange will need to provide quality data on providers and plans, and data on the cost of medical care to consumers and funders.

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**2010 RECOMMENDATIONS**

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✓ **Recommendation 4.** The eligibility system should be housed within DHS to avoid duplication of effort.

✓ **Recommendation 5.** DHS should start planning and analysis for the new information technology system immediately in order to meet the tight timeframes required by the PPACA.

✓ **Recommendation 6.** DHS should investigate how the inclusion of behavioral health benefits in a benchmark plan would impact the delivery and financing of behavioral health services in Iowa.

✓ **Recommendation 7.** The State of Iowa should vigorously pursue all federal funding opportunities under the PPACA.

✓ **Recommendation 9. – Strategy No. 1.** Establish databases that collect health insurance claims information.

✓ **Recommendation 9 – Strategy No. 2.** Strengthen quality care.

✓ **Recommendation 9 – Strategy No. 4.** Create a new health care provider payment system.

✓ **Recommendation 11.** Iowa should take all necessary action to maximize its opportunities to administer its own health care markets by committing resources to the processes necessary to establish a 2014 Iowa Health Benefit Purchasing Exchange.

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✓ **Recommendation 15.** In 2011, Iowa needs to begin the process of cultural transformation for better health and well-being. This change will begin to shift the high cost of health care and lead Iowa down the path to be one of the healthiest states in the nation.

✓ **Recommendation 16.** Iowa should promote the use of all existing employer-related health care coverage-related tax credits.

**CHARGE: FAIR INSURANCE PRACTICES.** Formulate principles that ensure fair and appropriate practices relating to issues involving individual health care policies such as recision and preexisting condition clauses, and that provide for a binding third-party review process to resolve disputes related to such issues.

**2009 RECOMMENDATIONS**

✓ **Recommendation 3.** Iowa should pursue early opt-in opportunities presented by federal health care reform.

✓ **Recommendation 9.** Iowa should begin the process of designing an Iowa exchange.

**2010 RECOMMENDATIONS**

✓ **Recommendation 7.** The State of Iowa should vigorously pursue all federal funding opportunities under the PPACA.

✓ **Recommendation 8.** The Legislature should enact the Iowa Department of Public Health's "Health Information Act" bill during the 2011 Legislative Session.

✓ **Recommendation 10.** The Iowa Insurance Information Exchange shall be fully operational by July 1, 2011.

✓ **Recommendation 11.** Iowa should take all necessary action to maximize its opportunities to administer its own health care markets by committing resources to the processes necessary to establish a 2014 Iowa Health Benefit Purchasing Exchange.

✓ **Recommendation 12.** Iowa should take action in 2011 to promote the establishment of a 2014 Iowa Health Benefit Purchasing Exchange.

✓ **Recommendation 13.** The Iowa Insurance Information Exchange shall be designed and operated to ensure the most seamless transition possible to a 2014 Iowa Health Benefit Purchasing Exchange within the dates prescribed by the PPACA.

**CHARGE: PORTABLE OPTIONS.** Design affordable, portable health care coverage options for low-income children, adults, and families.

**2009 RECOMMENDATIONS**

✓ **Recommendation 1.** Expand the IowaCare Program.

✓ **Recommendation 2.** Fund increases in DHS technological capacities.

✓ **Recommendation 3.** Iowa should pursue early opt-in opportunities presented by federal health care reform.

✓ **Recommendation 6.** Iowa needs to develop a more seamless system for Iowans moving from public health care to private health care coverage, and moving from one public health insurance program to another.

✓ **Recommendation 8.** Information should be readily available to Iowans that provides details about the health care services provided by the safety net providers.

✓ **Recommendation 9.** Iowa should begin the process of designing an Iowa exchange.

✓ **Recommendation 10.** An Iowa exchange will need to provide quality data on providers and plans, and data on the cost of medical care to consumers and funders.

**2010 RECOMMENDATIONS**

✓ **Recommendation 1.** The HIPIowa should lower the premium rate for HIPIowa coverage to below 150 percent of the average premium in the voluntary market to achieve greater parity with the HIPIOWA-FED program.

✓ **Recommendation 2.** If HIPIowa does not have the statutory authority to lower the premium rate for HIPIowa coverage to below 150 percent of the average premium in the voluntary market, Code Section 514E.2(6) should be amended to allow HIPIowa to exercise the authority to reduce the premium to below 150 percent of the average premium in the voluntary market.

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✓ **Recommendation 7.** The State of Iowa should vigorously pursue all federal funding opportunities under the PPACA.

✓ **Recommendation 8.** The Legislature should enact the Iowa Department of Public Health's "Health Information Act" bill during the 2011 Legislative Session.

✓ **Recommendation 10.** The Iowa Insurance Information Exchange shall be fully operational by July 1, 2011.

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✓ **Recommendation 14.** The Iowa Legislative Health Care Coverage Commission shall serve as the Iowa Insurance Information Exchange Advisory Board in order to fulfill its statutory duties as specified in S.F. 2356 (Code Section 505.32).

✓ **Recommendation 16.** Iowa should promote the use of all existing employer-related health care coverage-related tax credits.

**CHARGE: PREMIUM SCHEDULE DESIGN.** Design a proposed premium schedule for health care coverage options which includes the development of rating factors that are consistent with market conditions.

**2009 RECOMMENDATIONS**

✓ **Recommendation 3.** Iowa should pursue early opt-in opportunities presented by federal health care reform.

✓ **Recommendation 9.** Iowa should begin the process of designing an Iowa exchange.

✓ **Recommendation 10.** An Iowa exchange will need to provide quality data on providers and plans, and data on the cost of medical care to consumers and funders.

**2010 RECOMMENDATIONS**

✓ **Recommendation 7.** The State of Iowa should vigorously pursue all federal funding opportunities under the PPACA.

✓ **Recommendation 9 – Strategy No. 1.** Establish databases that collect health insurance claims information.

✓ **Recommendation 9 – Strategy No. 4.** Create a new health care provider payment system.

✓ **Recommendation 11.** Iowa should take all necessary action to maximize its opportunities to administer its own health care markets by committing resources to the processes necessary to establish a 2014 Iowa Health Benefit Purchasing Exchange.

✓ **Recommendation 13.** The Iowa Insurance Information Exchange shall be designed and operated to ensure the most seamless transition possible to a 2014 Iowa Health Benefit Purchasing Exchange within the dates prescribed by the PPACA.

**CHARGE: LIMIT TRANSFER PROTOCOLS.** Design protocols to limit the transfer of persons from employer- sponsored or other private health care coverage to state-developed health care coverage plans.

**2009 RECOMMENDATIONS**

✓ **Recommendation 3.** Iowa should pursue early opt-in opportunities presented by federal health care reform.

✓ **Recommendation 6.** Iowa needs to develop a more seamless system for Iowans moving from public health care to private health care coverage, and moving from one public health insurance program to another.

✓ **Recommendation 9.** Iowa should begin the process of designing an Iowa exchange.

✓ **Recommendation 10.** An Iowa exchange will need to provide quality data on providers and plans, and data on the cost of medical care to consumers and funders.

**2010 RECOMMENDATIONS**

✓ **Recommendation 11.** Iowa should take all necessary action to maximize its opportunities to administer its own health care markets by committing resources to the processes necessary to establish a 2014 Iowa Health Benefit Purchasing Exchange.

✓ **Recommendation 12.** Iowa should take action in 2011 to promote the establishment of a 2014 Iowa Health Benefit Purchasing Exchange.